February 12, 2025

Senator Margaret Rotundo, Chair
Representative Drew Gattine, Chair
Members of the Appropriations and Financial Affairs Committee

Senator Henry Ingwersen, Chair
Representative Michele Meyer, Chair
Members of the Health and Human Services Committee

RE: Testimony IN OPPOSITION - LD 210, Language Part "SS" Establishes a $0.70 cents per pharmacy prescription assessment on pharmacy providers

Good morning,

My name is Katie Sawicki, and I'm an assistant clinical professor at the University of New England and a practicing clinical pharmacist at Penobscot Community Health Center. Although this proposal does not directly impact my day-to-day work, I feel it's crucial to voice my opposition to LD 210, Part "SS," which introduces a $0.70 per prescription assessment on pharmacy providers.

The reality is that Maine's pharmacies are already in crisis. We're witnessing the closure of both independent and chain pharmacies across the state, with particularly devastating consequences for our rural and vulnerable populations. These patients, who already face significant barriers to healthcare, are now forced to travel over an hour to access essential medications, jeopardizing their health and well-being.

If this proposed tax passes, I fear that the struggles facing our pharmacies will intensify, leading to even more closures. We simply don't have enough pharmacies to meet the growing needs of our communities. The impact of this proposal will be disastrous for many pharmacies, especially those in smaller, more rural areas, where they serve as the last line of defense for patients who can't easily access alternative care.

While the administration claims that this tax will be budget-neutral, the reality is that this will create winners and losers. Only pharmacies that handle a high volume of MaineCare prescriptions might have a chance to offset this new cost, leaving others struggling to stay afloat. This is not a fair or neutral policy, as it disproportionately targets pharmacies that are already under financial strain.

It's worth asking why pharmacies should bear the burden of funding an initiative that the state cannot guarantee will "hold harmless" individual businesses. The current budget proposal anticipates significant increased spending, but pharmacies are being asked to shoulder this tax without assurances of compensation. Maine's budget is relying on a plan that imposes hardship on pharmacies already operating on thin margins.

This tax will affect all pharmacies across Maine, including FQHC pharmacies, long-term care pharmacies, and compounding pharmacies. Only those who process a significant volume of MaineCare prescriptions may have any hope of recouping some of the tax burden. Pharmacies with a large elderly patient population, for example, stand to lose even more, as Medicare Part D dispensing fees will not be adjusted to account for this new tax.

The uncertainty surrounding federal funding only adds to the complexity, with no guarantee that promised federal funds will actually materialize. This uncertainty further threatens the viability of our pharmacies, which are critical to Maine’s healthcare infrastructure.

I urge you to reconsider this proposal. Implementing this tax is not the right solution and will have a direct, harmful impact on Maine’s pharmacies, especially those already struggling to serve our most vulnerable populations. We need to find better, more equitable ways to support our healthcare providers, rather than burdening them with additional costs.

Thank you for your consideration.

Sincerely,

Kathryn Sawicki, PharmD, BCACP